

USAWC STRATEGY RESEARCH PROJECT

**THE SLEEPING DRAGON AWAKENS:
RAMIFICATIONS OF CHINESE INFLUENCE IN LATIN AMERICA**

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ABSTRACT

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Chinese involvement and influence in Latin America have increased exponentially. The search for energy resources and other commodities has forced China to venture into global markets with a fervor that is causing consternation among Western nations. The United States can no longer ignore the presence of Chinese involvement in Latin America. This paper assesses the correlation between Chinese ideological and tactical theories and current economic, political and military involvement of China in Latin America. The documents selected for analysis included: Sun Tzu, *The Art of War*; *the Five Principles of Peaceful Coexistence*, first stated by Zhou Enlai; Deng Xiaoping's *24 Character Strategy*; the strategic concepts of "Comprehensive National Power" (CNP) and "Strategic Configuration of Power"; and the current military strategy of "Active Defense." Based on the strategic principles found in these works, it is clear that greater engagement by the United States in the region is essential. It is also clear that U.S. strategic planners in all disciplines -- political, military, and economic -- must study Chinese historical and ideological texts in order to understand the cultural, social, and political influences that govern Chinese strategy.

THE SLEEPING DRAGON AWAKENS: RAMIFICATIONS OF CHINESE INFLUENCE IN LATIN AMERICA

Over the past several years, Chinese involvement and influence in Latin America have increased exponentially. The search for energy resources and other commodities to fuel its rapidly growing economy has forced China to venture into global markets with a fervor that is causing consternation among Western nations. In 2004, Latin America was the destination of 49.3% of China's overseas investments - \$889 million. As the world's second largest and fastest growing economy, China's needs for natural resources and agricultural production are insatiable. In 2005, Congressional hearings in April, July, and September assessed China's growing influence in our hemisphere.¹ The diverse opinions expressed by regional experts exhibit the confusion and disagreement regarding the ramifications of Chinese encroachment.² In all the discussion, there is no consensus other than that expressed by General Bantz J. Craddock, Commander, United States Southern Command, in his 2005 Posture Statement to the House Armed Services Committee: "An increasing presence of the People's Republic of China (PRC) in the region is an emerging dynamic that must not be ignored."³

An assessment of Chinese intentions in Latin America is critical for the formulation of an appropriate political response by the United States. The fact that the Chinese do not openly publish their national security and military strategies compounds this task. Since the year 2000, the Chinese published Government White Papers on military strategy and modernization efforts. *China's National Defense in 2004* is the most recent comprehensive document on military and national security efforts. These documents provide much more insight into Chinese military planning and strategy than in the past, but they still only tell part of the story. The Chinese are an ideologically based culture deeply rooted in history and tradition. As a result, concepts from historical writings and theories or "thoughts" of national leaders are key components of any national strategy.

This paper will examine several key historic and contemporary Chinese strategic documents; assess their correlation to current economic, political, and military involvement by the Chinese in Latin America; and analyze the impact of this correlation on current regional policies. An understanding of the historical and theoretical sources of influence is essential to the development of a valid conceptual framework on which to base United States strategy. While the consensus is that China's influence in Latin America is not an immediate threat to U.S. and in fact, may be of great benefit to the region in the short term, the analysis that follows suggests that Chinese involvement may not be as benign as some believe. The "sleeping

dragon” is awake and is very hungry. Should the United States allow it to eat in our neighborhood for the next twenty years, while we wait to see what it is going to do when fully grown? The choice for the United States is between ignoring the growing Chinese presence and its ramifications, and engaging to a greater extent in the region - with the Chinese and with our own Latin American neighbors.

Chinese Strategy and Tactics – Historical and Theoretical Underpinnings

China does not define its National Security Strategy or National Military Strategy in explicit documents like those of the United States; however, the White Paper, *China’s National Defense in 2004*, provides interesting insight. The document estimates it will take two decades of “peaceful development” in order to build a “moderately prosperous society in an all-round way.” It also clearly links development of national defense and the economy.⁴ This document and other White Papers are strategic signposts, but they still do not provide a clear definition of China’s grand strategy and tactics. Five additional historical and ideological sources provide invaluable insight. The works selected are Sun Tzu, *The Art of War*; the *Five Principles of Peaceful Coexistence*, first stated by Zhou Enlai; Deng Xiaoping’s *24 Character Strategy*; the strategic concepts of “Comprehensive National Power” (CNP) and “Strategic Configuration of Power”; and finally the current military strategy of “Active Defense.” These writings provide a basis for an analysis of current Chinese influence in Latin America. A short overview of the key principles of each work follows.

Over the past several decades, there has been resurgence in the study of ancient Chinese statecraft within the People’s Liberation Army (PLA). The precepts of “moulue,” or strategic deception, are a primary course of study at Chinese military academies.⁵ This concept was a key tenet of Sun Tzu’s classic text, *The Art of War*:

All warfare is based on deception. Therefore, when capable, feign incapacity; when active, inactivity. When near, make it appear that you are far away; when far away, that you are near. Offer the enemy a bait to lure him; feign disorder and strike him.⁶

According to Sun Tzu, deception is to be employed at all times (before and during war) and at all levels, whether diplomatic (to drive a wedge between the enemy and his allies), political (to sow the seeds of suspicion and discord in his army through political subversion), or military.⁷ The strategic aim of deception is to create an illusion in the mind of the enemy, and have them pursue the image, while the deceiver pursues an alternate course of action with a goal of exploiting the enemy’s distraction by attacking where they least expect it.

Sun Tzu also supports the use of espionage in the form of secret agents. He describes the information that they are able to glean as “foreknowledge.” There are five types of secret agents that the “enlightened prince and the wise general” can employ – native, inside, double, expendable, and living.⁸ It is interesting to note that Sun Tzu specifically mentions the prince and the general, implying the use of espionage for both political and military information. With politics so intertwined in economic and military strategy, the ramifications of this tactic are troublesome.

Sun Tzu provides a myriad of tenets that are applicable to current Chinese strategy. Perhaps the most worrying concept is the following:

For to win one hundred victories in one hundred battles is not the acme of skill. To subdue the enemy without fighting is the acme of skill. Thus, what is of supreme importance in war is to attack the enemy's strategy. Next best is to disrupt his alliances.⁹

While we are not literally at war with the Chinese, figuratively, the Chinese are fighting to develop their economic and national security position in a global environment. The tactics described by Sun Tzu are visible in the broader scheme of international relations.

While historical context is critical for understanding the influence of culture and philosophy on strategy, the best indications of Chinese intent come from current policies. The year 2004 marked the 50th anniversary of the initiation of the *Five Principles of Peaceful Coexistence*, first proposed by Premier Zhou Enlai. The *Five Principles* are the cornerstone of Chinese foreign policy and part of the Chinese constitution. These principles are as follows: “mutual respect for sovereignty and territorial integrity; mutual non-aggression; non-interference in each other's internal affairs; equality and mutual benefit; and peaceful coexistence.” While these principles appear to be benign and almost Utopian in scope, historically, they have been used to assail Western (predominately U.S.) foreign policies.¹⁰

In the early 1990's, then Premier Deng Xiaoping provided strategic guidance for China's approach to national security and foreign policy, which is still in effect. The *24 Character Strategy* states: “observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership.” The phrase, “make some contributions,” which was added later, provides an interesting twist. This strategy suggests both a short-term desire to downplay China's ambitions and a long-term strategy to build up China's power to maximize options for the future.¹¹

Current Chinese military strategists define grand strategy as “the overall strategy of a nation or alliance of nations in which they use overall national strength” to achieve political goals, especially those related to national security and development.¹² Since the early 1980's,

the balance between economic development and maintaining a secure environment in which to prosper economically have been primary concerns. The concept of “comprehensive national power” is the method by which China’s strategic planners evaluate and measure China’s national standing in relation to other nations. It includes qualitative and quantitative measures of territory, natural resources, economic power, diplomatic influence, domestic government, military capability, and cultural influence.¹³ The “strategic configuration of power” or “shi” is the method of wielding the CNP. “Mutual promotion and coordinated development between national defense building and economic development” is the strategy for balancing the application of shi.¹⁴

The final strategy for assessment is the current military concept of “active defense.” The strategy calls for forces to be postured to defend against perceived security threats and only used to counter aggression after attack.¹⁵ While clear in its application to defend the territorial integrity of the Chinese nation, an interesting question is how “active defense” applies to aggression affecting vital national resources. The Chinese are rapidly expanding their presence in foreign countries for resources that are critical to Chinese national security. Does this philosophy provide the rationale for a military response to economic threats? How would China respond to a coup or other political or military crisis outside its sovereign territory that affects the flow of vital resources? These are all questions that remain unanswered, but must provoke discussion.

Armed with a brief background in Chinese theoretical concepts and aspirations, let us now assess how these are related to current Chinese involvement in Latin America. While we are not using the term “enemy” or suggesting that our relationship is adversarial, one cannot deny the fact that our countries have divergent political philosophies, and that a very real competition for resources and alliances exists.

Chinese Economic Involvement in Latin America – Theory at Work

China’s six major economic relationships in the region are with Argentina, Brazil, Chile, Cuba, Mexico, and Venezuela. Beijing’s carefully calibrated diplomatic overtures have been a key to China’s economic success: maintaining a peaceful international environment to concentrate on economic development; pursuing multi-polarity; and employing economic leverage when necessary.¹⁶ China is America’s second largest trading partner – a relationship that is critical to fuel China’s whirlwind economic growth and development. The approach to regional involvement that the PRC has used in recent years demonstrates Deng Xiaoping’s *24 Character Strategy*. President Jiang Zemin’s 13-day tour of Latin America in April of 2001

attracted little attention in the United States. During his six-nation tour to Chile, Argentina, Uruguay, Brazil, Cuba and Venezuela, Jiang discussed major bilateral and international issues with leaders of each country. His visit opened the door for future involvement in the region. Since September 11, 2001, the U.S. focus has been on the Global War on Terror, Operation Iraqi Freedom, and other issues in the Middle East, with the resulting regional neglect exacerbating already strained relationships with several Latin American countries. China seized the opportunity to fill the vacuum and began the courtship which most recently included visits by President Hu Jintao (November 2004) and Vice-President Zeng Qinghong (March 2005). Hu's weeklong, "red-carpet" tour contrasted sharply with President Bush's brief visit to Santiago, Chile, followed by four hours on an island off the Colombian coast. Lack of attention coupled with a rigid foreign policy toward Latin America has made Chinese overtures very attractive: "Hu Jintao's vision of greater economic, financial, trade, and technology ties was precisely the sort of engagement that Latin America has long wanted from Washington."¹⁷ Our distanced relationship with the region provides an environment that is ripe for the Chinese to create division among countries and widen the gap in fragile alliances – a situation in keeping with Sun Tzu's philosophy.

Chinese economic involvement in Latin America has ramifications beyond the obvious one of securing natural resources and agricultural products to support its burgeoning development. Preserving the security of the homeland and returning China to its rightful place of global preeminence are critical to the leadership of the PRC. Resources, and the economic stability they provide, are part of the equation for national security. The Chinese strategy in Latin America is an example of the application of "shi," the strategic configuration of power. The promotion and coordination of national defense building and economic development is the goal of this strategy. To this end, reunification of Taiwan with the mainland is a key tenet of China's national security strategy.

China views the United States as an obstruction to Taiwan's reunification with the mainland. The Defense White Paper of 2005 reiterates the "sacred responsibility" of the Chinese armed forces to stop the "Taiwan independence" forces from splitting the country. It goes on to say the Chinese people are resolutely opposed to foreign interference of any form that supports the independence movement. Currently, only 25 countries accord Taiwan diplomatic status, and twelve of them are in Latin America: Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Haiti, Nicaragua, Panama, and Paraguay, St. Kitts and Nevis, and St. Vincent and the Grenadines. For decades, Taiwan had been a consistent provider of financial assistance to those countries who maintained official relations.

Growing economic power by China, referred to as “dollar diplomacy,” is seriously undermining Taiwan’s influence in the region. China even went so far as to send a contingent of riot police to support the U.N. peacekeeping forces in Haiti, one of Taiwan’s official relationships. This was Beijing’s first deployment of forces to the Western Hemisphere. China’s willingness to support this mission did not conceal the underlying desire for the opportunity to influence Haiti to recognize the PRC vice Taiwan. China’s ability to influence Taiwan’s friends in the region will only be enhanced by the Organization of American States’ (OAS) recent acceptance (May 26, 2004) of the PRC as a formal observer. China’s concerted efforts will continue to undermine Taiwan’s ability to maintain global support for independence.

Chinese diplomatic relations in Latin America inseparably link economic development and national security considerations. Beijing’s strategy for leveraging economic development has led the PRC to seek out Latin American leaders who have differing interests from the United States. These include Luiz Inacio Lula da Silva of Brazil, Fidel Castro of Cuba, and Hugo Chavez of Venezuela. Cloaked under the guise of strengthening economic interdependence, developing closer ties between these countries is a cause the U.S. can hardly protest. The resulting bloc is beginning to exert anti-American influence in the region. In her testimony to the U.S. - China Commission in July 2005, Dr. Cynthia A. Watson stated: “Brazil is the state which is bound to have the greatest ties to China in the future and has the most that could potentially affect the United States.”¹⁸ China’s relationship with Brazil embodies many of the tenets of Zhou Enlai’s *Five Principles of Peaceful Coexistence*. Brazil is unsupportive of U.S. hegemonic influence in the western hemisphere and wants greater recognition as a global player. China’s attention provides recognition, as well as respect for Brazil’s sovereignty, and a relationship of mutual benefit and peaceful coexistence. The fact that Brazil is vying for a permanent seat on the United Nations Security Council undoubtedly has influence on China’s efforts in developing a close relationship. Brazil continues to nurture this partnership.

China is undermining U.S. efforts to enforce a trade embargo as a means to topple Cuba’s Castro. China is now second only to Venezuela as Cuba’s largest trade partner. Total trade reached \$1 billion in 2005 as China rose from fourth to second place among Cuba’s most important trading partners, displacing Spain and Canada. Chinese exports to Cuba grew by 95% in the last year reaching over \$500 million in the first ten months of 2005. Under a \$400 million Chinese government trade credit, China is upgrading Cuba’s transportation system and infrastructure.¹⁹ In return for investment in Cuba, China has a production-sharing agreement for recently discovered oil off the coast of Cuba, as well as nickel mining operations. A shared socialist ideology is the rationale given by the Chinese to explain the increase of trade with

Cuba. Resources and access to a former Soviet electronic spy station in the Lourdes province of Havana are the more plausible reasons. The close proximity of Cuba to the United States, along with the growing partnership between Castro and Venezuela's Hugo Chavez, make China's involvement in Cuba a cause for concern.

Venezuela's relationship with China may ultimately have the greatest impact on the United States. In an application of Sun Tzu's tenet of "disrupting your enemy's alliances," the Chinese are actively courting Hugo Chavez. In January 2005, Vice President Zeng's visit to Venezuela culminated with the signing of nineteen cooperation accords, including a long-term arrangement for Chinese investment in Venezuela's oil and gas fields. China already operates two oil fields in Venezuela. They are in the process of developing fifteen additional fields in the eastern section of the country, as well as participating in the joint exploration of the Orinoco belt, the world's largest deposit of crude oil. President Chavez has made no secret of his desire to expand his export options beyond the United States. Venezuela is the third largest global supplier of oil to the United States. Any change in relations with Venezuela could have a significant impact on our economy. China has also entered an agreement to sell Venezuela radar equipment for its borders and a telecommunications satellite to free the country of any reliance on the U.S. for support. The ramifications of the long-term impact of this Sino-Venezuelan relationship have yet to be determined, but the situation warrants scrutiny.

As we have previously discussed, the concept of mutual promotion and coordinated development between national defense building and economic development is the mantra of the PRC in its plans for global development. Therefore, it is essential to discuss Chinese military involvement in Latin America, as well as the underlying implications of Chinese influence on regional and global security.

Chinese Security and Military Involvement in Latin America

China is not only becoming a global player on the economic front, but the PRC is also reaching out to develop military relationships throughout the world. In recent years, China has formed military diplomatic ties with 146 countries and sent military attaches to 103 countries. China uses these exchanges to gather information on the host country for military doctrine development as well as military intelligence purposes.²⁰ While the establishment of military relationships is a very positive step in Chinese global involvement, our previous assessment of historical and theoretical concepts implies that there may be greater meaning on a more subtle level. To continue our assessment of the application of Chinese theory on current security issues in Latin America, I have selected five areas of concern for discussion: Chinese influence

in Panama Canal operations; security operations in Cuba; Sino-Latin American military-to-military exchanges; military technology and weapons sales; and “tri-border area” concerns.

In 1996, Hutchinson Whampoa Limited, a company with reported ties to the Chinese Army, signed a fifty-year lease on port facilities on both sides of the Panama Canal. The company denies any relationship with the People’s Liberation Army. This is not surprising considering the influence of Sun Tzu’s theories of deception on current strategic philosophy. The inseparable bond between Chinese economic and national security interests makes it difficult to believe there is not a connection in such a strategic location. China’s influence on this vital maritime asset is worrisome on three levels. First, the container traffic controlled by the Chinese company provides the opportunity for illegal goods or personnel to enter the region without oversight. The limited transparency of this operation is a grave security risk for both North and South America. Second, easy and available access to the canal provides the potential opportunity for the Chinese to sabotage the canal in the event of war, or to deny passage as a mean of coercion. Third, although the flow of military traffic through the canal is limited to smaller vessels, any disruption would significantly affect U.S. naval operations between the Atlantic and Pacific.

China’s growing military relationship with Cuba is a cause for concern on two fronts. First, China’s military presence in Cuba at signal intelligence facilities directed at the United States is long-standing and well known.²¹ In addition to the former Soviet facilities in the Lourdes province of Havana, two other locations are intercepting U.S. military satellite communications and commercial telephone signals. Aside from interception, Chinese facilities are also transmitting signals aimed at interfering low and high band frequencies in the United States.²² The probes of electronic vulnerabilities imply a clear tactic by the Chinese to ascertain our internal security weaknesses. Surveillance of this type is in keeping with the Chinese philosophy of espionage as an accepted tool of strategy. Second, the Chinese are providing new vigor to the regime of Fidel Castro. While direct arms sales are too blatant a move by the PLA, military assistance visits and high-profile attention from the leadership of the PRC have effectively countered U.S. attempts to undermine the aging leader’s influence in preparation for inevitable regime change in the future.

China has increased military-to-military relationships in Latin America in part due to U.S. policy decisions with regard to the American Servicemembers’ Protection Act (ASPA).²³ The act restricts U.S. cooperation with the International Criminal Court (ICC) in support of the Rome Statute. The Statute authorizes the ICC to have jurisdiction over war crimes, which could potentially affect U.S. military personnel in performance of official duties. As a result, the bill

restricts U.S. participation in any peacekeeping mission and prohibits military assistance to those nations that are signatories of the statute. Of the 22 nations worldwide affected by these sanctions, 11 of them are in Latin America. Except for Colombia and Argentina²⁴, which have received waivers based on national security concerns, all the major countries in the region are on the ASPA black list. An important aspect of military assistance is the granting of International Military Education and Training (IMET) funds for partner nation military officers to attend training in the United States. The goal of the training is, according to the Defense Security Cooperation Agency, "to increase the ability of foreign national military and civilian personnel to absorb and maintain basic democratic values and protect internationally recognized human rights."²⁵ The Chinese have filled the vacuum with expanded military-to-military relations in a number of strategically important countries in the region including Venezuela, Brazil, Ecuador, Bolivia, and Chile. The number of Latin American military officers attending Chinese military academies and participating in training exercises has grown dramatically in recent years. As we have previously discussed, politics is an inextricable part of the culture of the PLA. Ideological discourse is bound to be a major part of all military training in China. What impact is this training going to have on future military leaders of already fragile democracies in Latin America? In the context of growing anti-American sentiment in the region, one could easily interpret the *Five Principles of Peaceful Coexistence* as a preferable counter to the perceived hegemonic policies of the United States. Latin American military officers are not only the potential targets of indoctrination, but also the source of information on U.S. military tactics, techniques, and procedures. Years of exposure to American military exercises and training provide a wealth of information of interest to Chinese military planners. The United States must reassess the impact of this policy on the security of the region.

China is developing military technology at the same speed as its economic expansion. In support of a military strategy of active defense, the Chinese are particularly proactive in space and intelligence operations. China and Brazil have jointly developed and launched two Earth research satellites, with two more planned in 2008. The China-Brazil Earth Resources Satellite, while purported to be for non-military ecological research, is more likely a digital imagery reconnaissance platform with worldwide coverage.²⁶ The satellite program also provides a comprehensive picture of the flight paths of U.S. satellites, information worrisome to regional analysts. In 2004, China also signed a partnership agreement with Argentina to develop and launch communication and surveillance satellites, significant because the agreement also opens up the use of Argentinean launch facilities by China. China's military technology interaction with Venezuela is the most volatile in light of current relations between Caracas and Washington.

Venezuela agreed to purchase mobile air-defense radar systems and a communications satellite from China. China also recently offered to sell Venezuela its new FC-1 fighter. China appears to be pushing weapons and intelligence capabilities in Latin America in order to secure regional dependency on Chinese technology, ensure interoperability, and reduce U.S. influence in the region.

Finally, there is a growing concern regarding the ramifications of Chinese influence in the “tri-border area” (TBA) - a relatively ungoverned location where the borders of Brazil, Paraguay, and Argentina meet. Over fifteen thousand Chinese reside in the Paraguayan city of Ciudad del Este alone.²⁷ The TBA is a lawless area of illicit activities that generate billions of dollars annually in money laundering, arms and drug trafficking, counterfeiting, document falsification, and piracy.²⁸ Chinese gangs known as “Triads,” with a desire for the power and financial rewards of transnational crime, have infiltrated the area. The TBA is a breeding ground and logistical operation base that supports terrorist activities. Hezbollah, Hamas, the Egyptian Islamic Jihad, Gamaa Islamiya, and al-Qaeda are using the area as a base for logistical and funding operations. Participation of Chinese gangs in transnational criminal activity adds a new dynamic to the equation. We have already addressed the lack of transparency in port operations in the Panama Canal Zone. Involvement of the Chinese mafia in the region increases the potential for complicity by Chinese port workers in support of trafficking of narcotics, weapons, and humans. Traditional and cultural ties provide a power base for Chinese gangs that may have broad ramifications throughout Latin America. Members of these mafia groups have North American and European passports.²⁹ The PRC does not openly support involvement with criminal and terrorist activities; however, could these Triads perhaps serve as “secret agents” to provide “foreknowledge” as described by Sun Tzu? There is no current evidence to support this idea, but the philosophy of the PRC does not discount this possibility.

Impact on U.S. Policy in Latin America

The PRC has a road map for “peaceful development” in Latin America and other regions of interest over the next twenty years. Although there is no definitive document that states China’s grand strategy, it is obvious that, aside from the pragmatic goal of resource acquisition, growth and development of “Comprehensive National Power” is the underlying strategy behind the global expansion that we are witnessing. Historical and theoretical concepts rooted in cultural and political ideology are the basis for the techniques and tactics employed. Understanding the conceptual goals of the PRC is a start, but it still does not clarify the long-

range intentions of the Chinese in our hemisphere. Many factors affect China's relationships in Latin America, both internal to the hemisphere and within China's own national boundaries. One thing is sure – competing interests in Latin America must be addressed by the United States.

Our current policies are exacerbating a growing anti-American sentiment that the Chinese are using to their advantage. The Global War on Terrorism, Operation Iraqi Freedom, and other international responsibilities distract the U.S. from much emphasis on Latin America. Many Latin American nations have not supported our international policies in response to the attacks on September 11, 2001. In spite of their disagreement, our long-standing ties with the region remain strong. What appears to trouble Latin Americans is the sense that Washington does not take the region seriously and still considers it its own backyard.³⁰ China has seized the opportunity to fill the perceived vacuum. Latin America is a region that offers the PRC the opportunity to play its role as “protector of the Third World.” Experience with colonial and U.S. intervention in the region makes China's offers of support against “hegemony” and protection of sovereignty attractive.³¹ Offers of trade partnerships, an influx of money for infrastructure development, and attention from the highest levels of the Chinese government have been too much for our Latin American neighbors to resist. Based on an understanding of the historical and ideological underpinnings of Chinese strategy, how should the United States respond to current and future developments in the region? In order to be successful, our strategy must address the situation from two perspectives: relations with our Latin American neighbors, and engagement with China on regional issues.

First, the United States must reengage with Latin America politically, economically, and militarily with a comprehensive, broad-based package of programs that are pro-active rather than reactive. Our National Security Strategy provides a broad-brush, rather *laissez-faire* approach to the region, with the exception of references to the continuing security challenges in Colombia, and criminal activities in the Andean region.³² The United States is Latin America's largest trading partner. Historical and cultural ties closely bind our relationship. Unfortunately, in recent years, perceptions of our motives have changed. The Chinese, using the *Five Principles of Peaceful Coexistence* as their guiding ideology, have fueled Latin American perceptions of the United States as a hegemon. Venezuela's Hugo Chavez and like-minded leftist leaders, subtly supported by the Chinese, are using our policies to flame anti-American rhetoric in order to build a bloc against the United States. A reinvigorated policy that addresses all elements of national power to include soft power and public diplomacy, and clearly

demonstrates the benefits and benevolence of a democratic society, is the strongest action we can take against this onslaught.

Along these same lines, U.S. policy decisions have seriously affected military engagement with critical Latin American partners. Sanctions imposed on the use of IMET funds in countries not supporting the ASPA may have serious long-range security repercussions. The IMET program is a low-cost, highly effective component of U.S. security cooperation that builds and expands regional security forces' professionalism and capabilities, enables a cooperative hemispheric approach to meeting transnational threats to national sovereignty, and facilitates the development of important professional and personal relationships that provide U.S. access and influence to key players in the region.³³ IMET pays for the training and education of foreign military and a limited number of civilian personnel. Grants given to foreign governments allow the country to choose the courses their personnel will attend. The primary goal of the program is to encourage effective and mutually beneficial relations, and increased understanding between the United States and foreign countries in furtherance of the goals of international peace and security. The Chinese are taking full advantage of our policy decisions to influence regional relationships by encouraging attendance at Chinese military academies and participation in military exercises. U.S. regional combatant commanders are very concerned about the long-range impact of our policies on their ability to implement security cooperation programs. Granting additional waivers for critical Latin American partner nations is one option. A second option is to separate IMET from ASPA sanctions. Finally, our government may also want to reconsider the broad ramifications of the ASPA and the perceptions created by our lack of compliance with the ICC.

Second, we must begin to engage with China on Latin American issues before they become crises. Based on our observations, we cannot afford to be naïve about China's actions in our hemisphere. Sun Tzu's theory of deception and Deng Xiaoping's *24 Character Strategy* are key tenets of current Chinese global policies. In spite of this fact, China is not going to do anything in Latin America that would jeopardize its all-important trade relationship with the United States. The U.S. should use the power of the current relationship to scrutinize Chinese intentions. Transparency in Chinese involvement economically, politically, and militarily should be a stipulation for our bilateral relations with China. The U.S. should also engage with the Chinese in economic and military partnerships with Latin American countries in order to better assess the PRC's depth of commitment in the region. Engagement is the only way for the United States to properly assess and potentially steer the long-range intentions of the Chinese. It is obvious that China's approach to foreign policy and international relations is philosophically

different from that of the United States. We must better understand our future competitor in order to develop our strategy for engagement. As Henry Kissinger so aptly stated: "China seeks its objectives by careful study, patience and the accumulation of nuances – only rarely does China risk a winner-take-all showdown."³⁴

Conclusion

The United States can no longer ignore the presence of Chinese involvement in Latin America. A burgeoning economy and the desire to secure global presence will only exacerbate the situation. Clear understanding of Chinese intentions in Latin America is critical for the formulation of an appropriate political response by the United States. While China does not currently pose a conventional threat to our national security, the asymmetrical strategy defined in the historical and ideological writings that support national policies, is a cause for concern.

This paper has assessed the correlation between Chinese ideological and tactical theories and current economic, political and military involvement by the PRC in Latin America. The documents selected for analysis included: Sun Tzu, *The Art of War*; *the Five Principles of Peaceful Coexistence*, first stated by Zhou Enlai; Deng Xiaoping's *24 Character Strategy*; the strategic concepts of "Comprehensive National Power" (CNP) and "Strategic Configuration of Power"; and the current military strategy of "Active Defense." Based on the strategic principles found in these works, it is clear that greater engagement by the United States in the region is essential. It is also clear that U.S. strategic planners in all disciplines -- political, military, and economic -- must study Chinese historical and ideological texts in order to understand the cultural, social, and political influences that govern Chinese strategy. We are entering another period of "Cold War," but one very unlike the last. A policy of containment will not work this time - the dragon is awake. We must determine a method of engagement with a clear understanding of our adversary. Chinese strategy will not confront America's strengths, but its weaknesses. Our global commitments must not blind us to events going on in our own hemisphere. While not an immediate threat, we must address the long-term impact of China's resource acquisition and political influence in Latin America.

The United States must be proactive in its development of a regional policy that addresses three key elements. First, we must reengage with Latin America politically, economically, and militarily with a comprehensive, broad-based package of programs that are pro-active rather than reactive. A reinvigorated policy that addresses all elements of national power and clearly demonstrates the benefits and benevolence of a democratic society is the best method to dispel any perceptions of hegemonic intentions. Second, an assessment of the

ASPA and its impact on IMET and other forms of military assistance is critical to the development of a plan for reinvigorated military-to-military security and cooperation programs. Military partnerships with our Latin American neighbors are the key to regional security and critical for the war on terrorism. Finally, we must increase involvement with China on Latin American issues before they become crises. Engagement is the only way for the United States to properly assess and potentially steer the long-range intentions of the Chinese. The “sleeping dragon” is awake. We can no longer wait for it to finish growing to determine our regional security strategy.

Endnotes

¹ Riordan Roett, *Relations Between China and Latin America/the Western Hemisphere*, written statement presented to the Subcommittee on the Western Hemisphere, House International Relations Committee, United States Congress, 6 April 2005; available from http://wwwc.house.gov/international_relations/109/roe040605.pdf; Internet; accessed 13 January 2005. Roett saw increased Chinese involvement as an opportunity to provide needed support for infrastructure, positive trade balances, and new markets in the regions. Dr. June Teufel Dreyer, written statement presented to the same Subcommittee on 6 April 2005; available from http://wwwc.house.gov/international_relations/109/teu040605.pdf; Internet; accessed 13 January 2005, presented a differing argument. She stated that while the People Republic of China does not wish to damage its relations with the United States, it appears to be attempting to use Latin America to challenge U.S. supremacy in the region and build a third world coalition of nations with interests that may very well be at variance, or even inimical, to American interests and values.

On 21 July 2005, statements by Cynthia A. Watson, PhD, and Claudio Loser before the U.S.-China Economic and Security Review Commission again varied. Dr. Watson proposed that there is no near-term security threat. However, she stated that she believes that Beijing seeks to establish networks, which will benefit its interests for the long term, possibly to the detriment of U.S. security. Claudio Loser dispelled concern by stating that the United States has greater influence in the region than the Chinese. He also testified that the pace of new investment is slow and many plans do not materialize. Both documents are available on-line from http://www.uscc.gov/hearings/2005hearings/written_testimonies/05_07_21_22wrts/b_watson_cynthia_wrts.pdf; Internet; accessed 13 January 2005, and http://www.uscc.gov/hearings/2005hearings/written_testimonies/05_07_22wrts/loser_claudio_wrts.pdf; Internet; accessed 13 January 2005.

Laurent Murawiec, Senior Fellow, Hudson Institute, testified before the U.S.-China Economic and Security Review Commission on 15 September 2005. His presentation used his study, *Vulnerabilities in the Chinese Way of War*, prepared for the Director of Net Assessment, OSD, Department of Defense, March 2004 as the basis of the discussion. His testimony provides an in-depth analysis of Chinese Grand Strategy and the Chinese Way of War. He posits that Chinese strategy will not go against America's strengths, but her weaknesses. He sees Chinese involvement in Latin America as part of a strategy of encircling and miring the opponent. He also ties the theories of Sun Tzu to its basis in Daoism and the principle of *wu*

Wei, or non-acting. Testimony is available from http://www.uscc.gov/hearings/2005hearings/written_testimonies/05_09_15wrts/murawiec.pdf; Internet; accessed 13 January 2005.

² Two excellent works on Chinese influence in Latin America are by R. Evan Ellis, *U.S. National Security Implications of Chinese Involvement in Latin America*, and by Guillermo R. Delamer, Jorge Eduardo Malena Goldstein, and Gabriela E. Porn, "Chinese Interests in Latin America," in *Latin American Security Challenges: A Collaborative Inquiry from North to South*, Newport Papers #21, Paul D. Taylor, ed., Newport, RI: U.S. Naval War College, Newport, RI, 2004.

³ General Bantz J. Craddock, *Posture Statement of General Bantz J. Craddock, United States Army Commander, United States Southern Command*, Posture statement presented to the 109th Congress, House Armed Services Committee, 9 March 2005, available from <http://ciponline.org/colombia/050309crad.pdf>; Internet; accessed 16 January 2006, 7.

⁴ *China's National Defense in 2004*, Government White Paper, December 2004, available from <http://www.china.org.cn/e-white/20041227/index.htm>; Internet; accessed 18 January 2006. The actual text from the Forward of the document follows. "The development goal for China to strive for in the first two decades of this century is to build a moderately prosperous society in an all-round way. As a large developing country, China has before it an arduous task for modernization, which calls for prolonged and persistent hard work. China will mainly rely on its own strength for development, and therefore poses no obstacle or threat to any one. China needs a peaceful international environment for its own development, which in turn will enhance peace and development in the world. Holding high the banner of peace, development and cooperation, China adheres to an independent foreign policy of peace and a national defense policy of the defensive nature. China will never go for expansion, nor will it ever seek hegemony." A major strategic task of the Communist Party of China (CPC) in exercising state power is to secure a coordinated development of national defense and the economy, and to build modernized, regularized and revolutionary armed forces to keep the country safe.

⁵ Office of the Secretary of Defense, *Annual Report to Congress: The Military Power of the People's Republic of China, 2005* (Washington, D.C.: U.S. Government Printing Office, 2005), 16.

⁶ Sun Tzu, *The Art of War*, trans. Samuel B. Griffith (New York: Oxford University Press, 1963), 66.

⁷ Laurent Murawiec, 7.

⁸ Sun Tzu, 144-145. "Now the reason the enlightened prince and the wise general conquer the enemy whenever they move and their achievements surpass those of ordinary men is foreknowledge. What is called 'foreknowledge' cannot be elicited from spirits, nor from gods, nor by analogy with past events, nor from calculations. It must be obtained from men who know the enemy situation. Now there are five sorts of secret agents to be employed. These are native, inside, doubled, expendable, and living. When these five types of agents are all working simultaneously and none knows their method of operation, they are called 'The Divine Skein' and are the treasure of a sovereign."

⁹ Sun Tzu, 77-78.

¹⁰ Zheng Ruixiang, "The Five Principles of Peaceful Coexistence: Their Proclamation and Application," *China Institute of International Studies* (March 2005), available from <http://www.cis.org.cn/item/2005-03-08/50849.html>; Internet; accessed 13 January 2005.

¹¹ Office of the Secretary of Defense, 11.

¹² *Ibid.*, 9.

¹³ *Ibid.*, 9.

¹⁴ President Hu Jintao in a speech to members of the Political Bureau of the Communist Party of China Central Committee on 25 May 2003. Available from www.china.org.cn/english/2003/may/65388.htm; Internet; accessed 13 January 2006.

¹⁵ Office of the Secretary of Defense, 15.

¹⁶ Dr. June Teufel Dreyer, prepared statement for the House International Relations Committee, Subcommittee on the Western Hemisphere, Subcommittee on Africa, Human Rights, and International Organizations, 6 April 2005, available from http://www.house.gov/international_relations/109/teu040605.pdf; Internet; accessed 18 January 2006, 2.

¹⁷ Dr. Cynthia A. Watson, 3.

¹⁸ *Ibid.*, 6.

¹⁹ Marc Frank, "Castro Hails China Trade and Slams U.S. Embargo," Reuters, 15 January 2006, available from <http://today.reuters.com>; Internet; accessed 19 January 2006.

²⁰ Peter T. R. Brookes, *China's Influence in the Western Hemisphere*, testimony before the Subcommittee on the Western Hemisphere, Committee on International Relations, United States House of Representatives, 6 April 2005, 8. Mr. Brooks goes on to state that in 2004, more than 100 military exchange programs took place, involving Chinese military leaders visiting more than 60 countries and senior officers from about 50 countries visiting China.

²¹ *Ibid.*, 8.

²² Albert Santoli, testimony before the U.S.-China Economic and Security Review Commission, 124 Dirksen Senate Office Building, 21 July 2005; available from http://www.uscc.gov/hearings/2005hearings/written_testimonies/05_07_21_22wrts/santoli_albert_wrts.htm; Internet; accessed 20 January 2006, 6. Santoli reports that, during the past few years, Cuba has been conducting electronic interference up the U.S. East Coast by using strong equipment of high band frequencies, including disruption of radio communication traffic and false transmission to an air traffic control tower in New York.

²³ Full text of American Service Members' Protection Act is available from <http://www.state.gov/t/pm/rls/othr/misc/23425.htm>; Internet; accessed 21 January 2006.

²⁴ Argentina is a non-NATO ally and thus unaffected by ASPA.

²⁵ Defense Security Cooperation Agency; available from http://www.dsca.osd.mil/home/international_military_education_training.htm; Internet; accessed 21 January 2006.

²⁶ Office of the Secretary of Defense, 35.

²⁷ Delamer, Goldstein, Malena, and Porn, 93.

²⁸ LTC Philip K. Abbott, "Terrorist Threat in the Tri-border Area: Myth or Reality," *Military Review* (September-October 2004), available from http://www.army.mil/professionalwriting/volumes/volume3/january_2005/1_05_4.html; Internet; accessed 21 January 2006.

²⁹ Delamer, Goldstein, Malena, and Porn, 94.

³⁰ Peter Hakin, "Is Washington Losing Latin America?," *Foreign Affairs* (January-February 2006), vol. 85, no. 1, 49.

³¹ Dr. Cynthia A. Watson, 5.

³² George W. Bush, *The National Security Strategy of the United States of America* (Washington, D.C.: The White House, September 2002), 10.

³³ General Bantz J. Craddock, 25.

³⁴ Henry Kissinger, "China Shifts Centre of Gravity," *The Australian*, 13 June 2005, 2; available from <http://www.taiwansecurity.org/News/2005/AS-130605.htm>; Internet; accessed 10 December 2005.